VZCZCXRO0762 RR RUEHMR RUEHRN DE RUEHSB #0102/01 0381547 ZNY CCCCC ZZH R 071547Z FEB 07 FM AMEMBASSY HARARE TO RUEHC/SECSTATE WASHDC 1107 INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY RUEHUJA/AMEMBASSY ABUJA 1462 RUEHAR/AMEMBASSY ACCRA 1318 RUEHDS/AMEMBASSY ADDIS ABABA 1466 RUEHRL/AMEMBASSY BERLIN 0161 RUEHBY/AMEMBASSY CANBERRA 0727 RUEHDK/AMEMBASSY DAKAR 1092 RUEHKM/AMEMBASSY KAMPALA 1520 RUEHNR/AMEMBASSY NAIROBI 3916 RUEHFR/AMEMBASSY PARIS 1289 RUEHRO/AMEMBASSY ROME 1945 RUEKJCS/JOINT STAFF WASHDC RUFGNOA/HQ USEUCOM VAIHINGEN GE RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK RHEFDIA/DIA WASHDC RHEHAAA/NSC WASHDC RUEHBS/USEU BRUSSELS RUCNDT/USMISSION USUN NEW YORK 1683

C O N F I D E N T I A L SECTION 01 OF 02 HARARE 000102

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AF/S FOR S.HILL ADDIS ABABA FOR USAU ADDIS ABABA FOR ACSS STATE PASS TO USAID FOR E.LOKEN STATE PASS TO NSC FOR SENIOR AFRICA DIRECTOR B.PITTMAN

E.O. 12958: DECL: 09/25/2012

TAGS: PREL PGOV ECON ZI
SUBJECT: MUGABE RESHUFFLES HIS CABINET--GONO TRIUMPHANT,

SUCCESSION POLITICS IN FULL-CRY

REF: HARARE 00080

Classified By: Ambassador Christopher Dell under Section 1.4 b/d

Summary

11. (U) Summary. In what the MDC spokesperson termed as "rearranging the deck of a sinking Titanic," President Mugabe yesterday carried out a long-expected cabinet reshuffle. With the exception of the sacking of Minister of Finance Minister Herbert Murerwa and the replacement of Minister of Agriculture Joseph Made, there were no major changes. Murerwa was the only minister dropped (Made was demoted). Three new ministers were appointed (one to replace Murerwa, one to assume an open position, and one as head of a new ministry) and four others were re-assigned. End Summary.

The Changes

12. (SBU) The most significant change was the replacement of Murerwa by Samuel Mumbengegwi, formerly Minister of State for Indigenisation and Empowerment. Murerwa had long been at loggerheads with Reserve Bank Governor Gideon, a close ally of Mugabe. Mumbengegwi is the brother of Foreign Minister Simbarashe Mumbengegwi and, like his brother, is considered The Mumbengegwis belong to the Mukaranga close to Mugabe. ethnic group, as does Emmerson Mnangagwa, and this move may have been an attempt by Mugabe to build support from the Mnangagwa faction. It also signals Gono's continuing ascendency as he had long battled with the departed Murerwa

for control of economic policy. Mumbengegwi is considered a

non-entity, unlikely to challenge Gono's de facto control over all aspects of the economy.

13. (U) Rugare Gumbo, formerly Minister of Economic Development, replaced Joseph Made as Minister of Agriculture.

Made became Minister of State Agricultural Engineering and Mechanisation. Much criticism had been leveled at Made as Minister of Agriculture for falsification of production statistics which made food distribution difficult, for misuse of agricultural subsidies, and more generally for presiding over the rapid decline of  ${\tt Zimbabwe's}$  agricultural sector. There's a certain irony in placing Made in charge of agricultural engineering and mechanization at a time when his policies as minister have led to an accelerating return to hand-held tools as the principal means of farming. In transferring him, Mugabe may have agreed with the Commercial Farmers Union which thought him corrupt and incompetent. Gumbo, a prominent war veteran who is extremely loyal to Mugabe (and who is also a Mukaranga), seems unlikely to pursue a more sensible approach to agriculture, and Mugabe's failure to promote the competent and pragmatic Sylveste Nguni from vice-minister to minister is another clear indication Mugabe is not serious about changing course. Nguni was, however, promoted into the cabinet as Minister for Economic Development. He is also a Mukaranga.

Comment

14. (C) Comment: The reshuffle is largely cosmetic, as have been other recent cabinet reshuffles. Reportedly, few

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individuals outside the cabinet are interested in appointments, knowing that it would lead to their placement on ours and the EU,s sanctions lists. By far the most important change is Murerwa's firing, primarily because it highlights just how much influence Gono now has with Mugabe. Believing that he has Mugabe's endorsement to pursue a "social contract" as laid out in his recent Monetary Policy Statement (Ref), Gono is increasingly acting as the de facto prime minister and firing Murerwa removes one bitter rival from the equation. Murerwa was also increasingly aligned with the Mujuru faction within ZANU-PF, so this is also likely to be a move to curb their growing power base. In addition, although Murerwa was no ball of fire, he had managed to convince the IMF Article IV team during their December visit that he was at least sincere about the need for reforms. End Comment. DELL